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CENTRAL INTELLIGENCE AGENCY

REPORT

INFORMATION REPORT

CD NO.

COUNTRY Austria

DATE DISTR. 28 June 1955

SUBJECT Quarterly Report of the Production and Assets of
the USIA Firm Trofaiacher Eisen und Stahlwerke
A.G.

NO. OF PAGES 4

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1. As of 31 March 1955, Soviet-controlled (USIA) Trofaiacher
Stahlwerke A.G. consists of a foundry and a machine shop
located at Aufeldgasse, Klosterneuburg, Lower Austria. The
area of the foundry is 104 square meters, and has an annual capacity
of 1,500 tons of grey castings. The cast iron parts produced range from
0.1 to 1,000 kilograms, of the following varieties: stove castings,
electric motor castings, filter presses and centrifugal castings. The
foundry also produces bronze castings. The machine shop is mainly con-
cerned with finishing products cast in the foundry, but also produces
a limited number of special machines.

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2. The Trofaiacher foundry is equipped with the following facilities:

2 cupola-type melting ovens, each with a capacity of four
tons of molten steel per hour

21 molding machines

3 annealing ovens

4 bridge cranes, steered from below with capacities of 3
tons, 2 tons, 1.5 tons and one ton

1 centrifugal casting machine

1 sandblast (Sandfunker)

3 grinding benches for cleaning castings

2 compressors

2 crucible furnaces for melting nonferrous metals

1 automatic sand preparation unit

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3. The Trofaiacher machine shop is equipped with the following 26 units:

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- 12 turning lathes
- 5 carpenters benches
- 4 boring machines
- 2 milling machines
- 1 cold saw
- 1 universal cutter block

4. Production During First Quarter 1955. During the first quarter of 1955, the total value of products finished amounted to 1,670,000 Austrian schillings, which was 77.6 percent more than the plan required. The castings produced per square meter of casting area averaged 0.985 tons, whereas the average for 1954 was 0.92 tons per square meter of casting area. Waste due to unacceptable castings amounted to 8.5 percent, which represented a loss of 109,000 schillings. **1**

5. Materials used per ton of usable castings averaged as follows:

	<u>Planned consumption</u>	<u>Actual consumption</u>
Pig iron	550 kilograms	469 kilograms
Scrap iron	1,300 "	1,491 "
Ferro-silicon	6 "	4.81 "
Ferro-manganese	5 "	2.89 "
Foundry coke (in foundry)	450 "	395 "
Foundry coke (in baking oven)	170 "	224 "
Electricity	125 KWH	126 KWH

6. The actual production cost of one ton of gray cast iron, amounted to 5,837 schillings (turnover tax of 273 schillings included); this represents a decrease of eight percent against the production cost during 1954. The sales price of one ton of gray cast products was 6,217 schillings, which represents a 10 percent increase over the sales price in 1954.

7. The total value of products sold during the first quarter of 1955 was 2,359,000 schillings. The products were distributed as follows:

	<u>Value in schillings</u>	<u>Percentage</u>
Western countries	63,000	2.7
USIA concerns	93,000	4.0
Co-operative plan firms 2	941,000	39.9
Austrian firms	1,262,000	53.4

8. The suppliers of materials were:

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8. The suppliers of materials were:

	<u>Supplier</u>	<u>Percentages from</u> <u>Co-op firms</u>	<u>Private firms</u>
Foundry iron	USIA Central Comm. Off.	100	-
Scrap iron	USIA concerns, [REDACTED]	40	60 ✓
Foundry coke	Raab-Karcher, Vienna	100	-
Molding sand	Franz Fischer, Wiener Neustadt	-	100
Fireproof clay	"	-	100
Electricity	Wr. Stadtwerke, Vienna I	-	100

- 9 On 31 March, the Trofaiacher concern employed 141 persons, whose pay during the first quarter of 1955 totalled 790,000 schillings. The 1955 plan only provided for 114 employees. The actual number employed fell in the following categories:

<u>Employee category</u>	<u>No. of employees</u>	<u>Salary Expenditures, First Quarter</u>
Laborers	103	280,000 schillings
Apprentices	10	11,000 "
Engineers, technicians	10	76,000 "
Office workers	14	108,000 "
Unskilled labor	2	8,000 "
Kitchen personnel	2	7,000 "

- 10.
- Financial Solvency of Trofaiacher A.G. On 31 March, the total value of Trofaiacher assets was 761,600 schillings, which had been estimated as follows:

Materials on hand

Raw materials	296,400 schillings
Accessories	73,600 "
Fuel	62,000 "
Expendable supplies	19,700 "
<u>Unfinished products</u>	65,400 "
<u>Finished products</u>	242,800 "
Currency	1,700 "

11. The credit and debits of Trofaiacher A.G. balanced as follows:

<u>Total credits</u>	1,336,828 schillings
Total USIA Credits included therein	92,508 schillings
Over due USIA credits	49,915 "
<u>Total debit</u>	238,988 schillings
USIA debit included therein	67,856 "
Overdue USIA debit	36,969 "

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✓ 1  Comment. Although this represents an improvement over the previous years losses of 10 percent per castings produced, the firm will find it difficult in the future to compete with Austrian producers who have underbid Trofaiacher as much as two schillings per kilogram on the products to be sold. The principal liabilities are the expensive production methods caused by antiquated and neglected equipment. Large investments would be necessary for high-performance molding machines, automatic sand suppliers, roller beds for the casting boxes and the introduction of a new casting system (Giesspartie).

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✓ 2  Comment. The "co-operative plan" appears to refer to a system where-
by raw materials and semi-products are bartered between USIA factories and traders. The sales to "USIA concerns" would appear to be cash sales.

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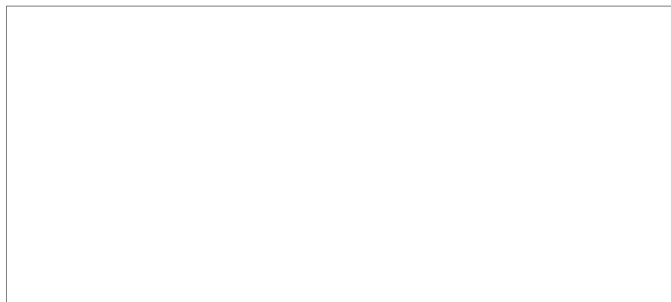
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